

PuriCore plc (“PuriCore” or “the Company”) Preliminary Results Sales increase 17.5% in 2007 and 89% in Q1 2008

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 29 April 2008 — PuriCore (LSE: PURI), the life sciences company focused on the control of infectious pathogens with its novel, safe antimicrobial technology, today announces its preliminary annual results for the year ended 31 December 2007. Additionally, PuriCore announces today its inaugural Interim Management Statement in a separate release.

2007 Financial Highlights

- Revenue: up 17.5% to \$18.6 million (2006: \$15.9 million)
- Recurring revenue: 79% of sales
- Food Safety sales up 21% to \$7.9 million (2006: \$6.5 million)
- Endoscopy sales up 15% to \$10.3 million (2006: \$8.9 million)

2007 Operational Highlights

- 7 new US retail supermarket customers, bringing the total to more than 20 (including 2 of the top-10)
- UK Endoscopy portfolio expanded
- PuriCore systems used in 33% of UK NHS hospitals with endoscopy departments
- Regulatory approvals
 - US FDA 510(k) clearance received for the Sterilox Endoscopy System
 - US FDA Food Contact Notification granted for Sterilox Solution
- Patents and awards
 - 2 new US patents granted (now 34 patents in total with 32 more pending in global IP estate)
 - New US patents for Wound Therapy Method and PuriCore technology
 - Sterilox named Product of the Year by Foodservice Consultants Society International
- Research published
 - Effectiveness of Sterilox Solution against major outbreak pathogens
 - Safety and efficacy of Vashe Wound Therapy
 - Effectiveness of Aquatine EC for root canal disinfecting and cleansing
- More than 2,500 wound therapy patients treated: clinicians report no adverse or side effects

2008 Update (unaudited)

- Q1 2008 revenue of \$9.1 million, up 89% versus Q1 2007
 - Food Safety sales up 128%, \$ 4.3 million
 - UK Endoscopy sales up 68%, \$ 4.7 million
- \$11 million Sterilox Food Safety contract announced for another top-5 supermarket retailer announced
- Sterilox Solution demonstrated to be highly effective against pandemic H5N1 avian influenza
- In advanced discussions with several lenders to raise additional capital
- Sterilox Solution approved for use in Organic Food production, processing, and handling

Greg Bosch, Chief Executive of PuriCore, said:

“Our 2007 results showed continued top-line growth with recurring revenues growing 57% over 2006 and EPS loss of \$0.14 per share, in line with consensus estimates. We’re also off to a very strong start for 2008 in both our US Food Safety and UK Endoscopy businesses with first quarter growth of almost 90% versus Q1 2007. We anticipate this type of continued significant growth throughout the year as we capitalize on increasing market share, entering new markets, and leveraging our operations.”

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About PuriCore

PuriCore plc (LSE: PURI) is a life sciences company focused on developing and commercialising proprietary products that safely, effectively, and naturally kill contagious pathogens. PuriCore's technology provides a solution to a broad range of markets that depend upon controlling contamination, including food safety in retail and foodservice, medical device disinfection, wound therapy, and hospitality. The Company's proprietary technology mimics the human body's production of the natural antimicrobial hypochlorous acid, which is highly effective in killing bacteria, viruses, and fungal spores. Deploying hypochlorous acid solutions as soaks, sprays, mists, and in other forms, PuriCore's technology is designed to limit the spread of infectious disease, including major public health threats of M. tuberculosis, MRSA, E.coli, Norovirus, Avian Influenza, HIV, Polio Virus, Helicobacter pylori, and Legionella. PuriCore is headquartered in Malvern, Pennsylvania, with offices in Stafford, UK.

To receive additional information on PuriCore, please visit our website at www.puricore.com, which does not form part of this press release.

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

All 2007 financials are audited. All 2008 financials are unaudited.

Chairman and CEO Review

PuriCore's unique green technology is deliverable across multiple markets and geographies and provides shareholders with "Pure Opportunity." This opportunity arises from our core developed technology that we believe can deliver a widespread global impact on infectious disease.

Sterilox Systems generate hypochlorous acid, an incredibly safe, yet powerful and effective, natural antimicrobial that mimics the same biochemistry deployed by the human immune system to fight off infectious pathogens. This proprietary antimicrobial technology is scientifically proven and approved for use in multiple market applications.

Sterilox Systems are technically sophisticated to ensure consistent quality production of hypochlorous acid. Yet they are extremely easy for operators to use and require only common salt and water, offering a natural, 'green' solution to address multiple significant markets, geographies, and applications. With our Sterilox Systems, our customers can generate on-site and on-demand a robust, natural antimicrobial solution tailored specifically to the volumes and concentrations required for their needs.

This strong scientific foundation is further fortified by our core businesses in food safety and medical device disinfection as well as by the significant potential in size and scope of our new opportunities in biosafety, therapeutic wound management, and water safety. We aim to deliver on this broad portfolio of opportunity and thereby provide significant long-term value to our shareholders.

2007 Business Report

In 2007, we focused on building core strength in our first two businesses, namely US Food Safety and UK Endoscopy, ending the year with revenues of \$18.6 million, a 17.5% increase over 2006.

2007 proved to be a challenging year with adoption rates slower than initially expected, particularly in our US Food Safety business. The delay of a major contract in 2007 led us to restrain our business plans for product development and new market entries. However, we won contracts with seven new US retail supermarket chains, bringing our total supermarket customers to more than 20. Additionally, we have identified the potential to install an extra 5,000 Sterilox Systems within our current customer base, and we are in discussions with customers to install a further 11,000 additional Systems. By year-end and into early 2008 having signed the delayed major contract, we have re-established our momentum, and confidence in our opportunity is stronger than at any time previously.

Core businesses

In 2007, we further penetrated our two primary markets. In the US Food Safety business in the retail market, we concentrated on the largest retail chains that differentiate themselves to consumers based on quality and reputation. With more than 20 leading retail supermarket chains (including two of the 10 largest) using Sterilox Food Safety Systems in 2007, we garnered approximately 6% market share of our retail targets totalling approximately 1,600 stores. Revenues for the US Sterilox Food Safety business grew 21%, with approximately 185 Sterilox System installations last year.

In 2007, we anticipated adoption by several large retailers early in the year but agreements were not finalized until later and into January 2008, with a significant award of an \$11 million contract to install Sterilox Food Safety Systems in half of the stores for one of the largest US food retailers. This order, from the second top-five US retailer to adopt our technology, combined with a robust pipeline of other leading retail chains, is expected to fuel significant organic growth in this business in 2008.

In our second core market, the UK Sterilox Endoscopy business, revenues grew 15% in 2007 (7% on a constant currency basis), fuelled largely by the expanded product portfolio of our new AER distribution partnerships, despite the continued challenging NHS environment. We estimate that we now have garnered approximately a third of the market for hospital endoscope disinfection units with our Endoscopy product portfolio.

New strategic markets and geographies

We have long identified the next markets that we would enter once our core businesses were stable. Capitalizing on our success in the US Food Retail market, we expanded our business development initiatives in the Foodservice, Hospitality, and Institutional markets. We began to identify distribution channels for our initial efforts in those markets in which we have a presence, leveraging our early adopters in several of the major casino resort properties in Las Vegas.

In healthcare, we continued to explore and invest in therapeutic applications for our core technology with very encouraging results. We are impressed with clinician and patient response to date, and we have initiated early discussions with potential partners for Vashe Wound Therapy. PuriCore also markets its antimicrobial solutions to Dental practices targeting biofilm remediation and clinically oriented applications and research for root canal procedures and oral rinses.

We also took steps to open new geographies for our core markets. In the US, we prepared for the commercialization of our Sterilox Endoscopy Systems. We received a 510(k) clearance from the US FDA to reprocess endoscopes in 2007. We are now identifying target accounts and expect to establish pilot sites in the third quarter of 2008. Similarly, we initiated very early discussions with leading food retailers in the UK to explore the opportunity for the Sterilox Food Safety business.

Outlook

With a strong current order book and anticipated order flow in both our core markets, we foresee significant top-line organic growth in 2008 that will enable us to achieve additional leverage of our operations and further expand into new markets. Operationally, we anticipate strong sales growth and improving margins thereby leveraging operating expenses and significantly reducing our cash burn rate.

Our 2008 key strategies are to:

- Extend leadership in our core markets: US Food Retail and UK Endoscopy
- Focus on revenue growth, margin improvement, and leverage of operational costs
- Launch into new strategic markets: US Endoscopy and US Foodservice and Hospitality
- Maintain steady growth in our Dental franchise
- Further develop business plans and explore partnerships in Wound Management and Water Safety

Summary

Throughout our organisation, we continue to strive for excellence in the execution of our business processes to create a profitable, world-class company. We remain enormously proud of our safe, green, effective technology and equally proud of PuriCore as a company and as a team.

Whilst the development of our business was slower than we anticipated in 2007, we are now poised for significant growth in 2008 and the commercialisation of a portfolio of applications with our core platform technology to deliver our Pure Opportunity. We look forward to executing on our 2008 strategies and delivering excellent returns for our shareholders.

Christopher P.J. Wightman
Chairman

Gregory T. Bosch
Chief Executive Officer

29 April 2008

Financial Report

Income Statement

Results for the year ended 31 December 2007 showed continued top-line revenue growth. Sales of \$18.6 million (2006: \$15.9 million) were 17.5% higher than in 2006 (13% on a constant currency basis). This was slightly below the guidance of sales of \$19.1 million given in our February trading update due to the Q1 2008 return of an order of third-party distributed products supplied in 2007. Recurring revenues, which are generated from the rental agreements, service contracts, and the sale of consumables, accounted for 79% of total revenue for 2007, reflecting a 57% increase in recurring revenue over 2006. Whilst 2007 was a challenging year for PuriCore, primarily due to unexpected contract delays, the Group's results validate our recurring revenue business model.

Cost of sales for 2007 was \$15.7 million (2006: \$12.9 million), resulting in a gross profit margin for the year of 15.8% (2006: 18.4%). The lower profit margin in 2007 resulted from higher sales of distributed products in our UK Endoscopy business that are not as profitable as our proprietary Endoscopy systems, as well as by the costs of having spare capacity among our field-based personnel. The strong revenue growth that we expect in 2008 will take advantage of this spare capacity, and we expect significant margin improvement throughout the year.

Investment in research and development in 2007 increased to \$2.4 million (2006: \$2.1 million), a 13.4% increase. The rate of growth of investment slowed in 2007 (2006 increase in R&D from 2005 was 29%) whilst the Group balanced its continued investment in engineering, clinical development, chemistry, and microbiology with a focus on improving cash flow.

Sales and marketing expenses in 2007 totalled \$8.0 million compared with \$7.3 million in 2006, an increase of 9.3%. The increase was driven by additional investment in sales and marketing in the US Food Safety business offset by fewer personnel and therefore lower costs in the UK Endoscopy business.

General and administrative expenses in 2007 totalled \$14.1 million compared with \$11.6 million in 2006, an increase of 22.3%. The increase was largely the result of the additional costs associated with operating as a public company for the full year 2007 (only six months as a publicly traded company in 2006). These costs comprised the additional overhead of legal, accounting, and other professional fees, offset by lower non-cash stock compensation expense (2007: \$0.8 million vs. 2006: \$2.4 million) related to the issuance of share options to employees and directors of the Group (as determined under IFRS 2).

Balance Sheet and Cash Flow

As at 31 December 2007, PuriCore had cash equivalents (including restricted cash) of \$18.9 million (compared with \$43.0 million as of 31 December 2006), a decrease of \$24.1 million. During the year, there were two major uses of cash: debt repayment and operating expenses. Approximately \$5.5 million (net) was used for the repayment of debt associated with secured borrowing arrangements that the Company entered into to further the strategy of growing our base of rented Sterilox Systems installed on operating lease agreements. As at 31 December 2007, outstanding debt related to these agreements totalled \$9.2 million (including \$4.5 million drawn on a line of credit) (\$14.8 million at 31 December 2006). In 2007, cash outflow from operating activities totaled \$14.1 million (compared with \$12.3 million in the year ended 31 December 2006).

The Company also used \$2.0 million of cash to build inventory, which increased to \$5.7 million at 31 December 2007 from \$3.7 million at 31 December 2006. The increase was largely the result of strategic decisions to increase inventories in anticipation of US Food Retail orders and, although these didn't occur until early 2008, the recently announced \$11 million order will utilise these inventories.

With increased demand for the Company's products and the generation of rapidly growing recurring revenues, the Directors consider there is now clear evidence that PuriCore's business model is being successfully implemented. Accordingly, the Directors are confident that the necessary funding can be put in place to fulfill the Company's growth plans and secure its sustainable profitability, whether through debt, equity, or a mixture of both.

Keith A. Goldan
Chief Financial Officer

29 April 2008

Consolidated Income Statement
For the Year Ended 31 December 2007

	2007	2006
	\$	\$
CONTINUING OPERATIONS		
Revenue	18,642,124	15,867,232
Cost of sales	(15,703,628)	(12,943,478)
Gross Profit	2,938,496	2,923,754
Sales and marketing expenses	(7,997,289)	(7,319,127)
General and administrative expenses	(14,148,836)	(11,568,711)
Research and development expenses	(2,405,930)	(2,120,795)
Loss before interest and tax	(21,613,559)	(18,084,879)
Finance costs	(1,190,501)	(1,261,644)
Finance income	1,372,962	1,341,385
Net Finance Income	182,461	79,741
Loss before taxation	(21,431,098)	(18,005,138)
Taxation	116,434	166,160
Loss for the year	(21,314,664)	(17,838,978)
Attributable to:		
Equity holders of the parent	(21,314,664)	(17,838,978)
Loss Per Share	\$/share	\$/share
<i>Continuing operations</i>		
Basic and Diluted	(0.14)	(0.14)

Consolidated Statement of Recognised Income and Expenses
For the Year Ended 31 December 2007

	2007	2006
	\$	\$
Exchange differences on translation of foreign operations	86,124	1,094,179
Net Income Recognised In Equity	86,124	1,094,179
Loss for the financial year	(21,314,664)	(17,838,978)
Total Recognised Income And Expense	(21,228,540)	(16,744,799)
Total Recognised Income And Expense Is Attributable To:		
Equity holders of the parent	(21,228,540)	(16,744,799)

Consolidated Balance Sheet
For the Year Ended 31 December 2007

	2007	2006
	\$	\$
ASSETS		
Non Current Assets		
Intangible assets	6,042,265	5,329,721
Property, plant, and equipment	8,002,124	9,323,024
Restricted cash	-	3,033,000
Trade and other receivables	487,039	-
Total Non Current Assets	14,531,428	17,685,745
Current Assets		
Inventories	5,683,726	3,672,381
Trade and other receivables	4,689,389	6,496,776
Restricted cash	3,033,000	2,250,000
Cash and cash equivalents	15,861,207	37,683,515
Total Current Assets	29,267,322	50,102,672
Total Assets	43,798,750	67,788,417
LIABILITIES		
Current Liabilities		
Trade and other payables	(7,326,745)	(6,295,128)
Loans and borrowings	(7,991,371)	(5,933,974)
Provisions	(93,870)	(91,989)
Total Current Liabilities	(15,411,986)	(12,321,091)
Non Current Liabilities		
Loans and borrowings	(1,549,064)	(8,762,225)
Total Non Current Liabilities	(1,549,064)	(8,762,225)
Total Liabilities	(16,961,050)	(21,083,316)
Net Assets	26,837,700	46,705,101
EQUITY		
Share capital	2,777,795	2,758,718
Share premium	145,455,962	144,931,003
Other Reserves	6,204,404	5,387,301
Retained earnings	(128,804,935)	(107,490,271)
Cumulative translation adjustment	1,204,474	1,118,350
Issued capital and reserves attributable to equity holders of the parent	26,837,700	46,705,101

Total Equity

26,837,700

46,705,101

Consolidated Cash Flow Statement
For the Year Ended 31 December 2007

	2007	2006
	\$	\$
Cash Flows From Operating Activities		
Loss for the year	(21,314,664)	(17,838,978)
<i>Adjustments for:</i>		
Taxation	(116,434)	(166,160)
Finance costs	1,190,501	1,261,644
Finance income	(1,372,962)	(1,341,385)
Depreciation and amortisation	4,937,879	2,995,164
Share based payment expense	817,103	2,578,466
Loss/(gain) on disposal of property, plant, and equipment	270,211	(31,221)
	(15,588,366)	(12,542,470)
Operating Loss Before Movement In Working Capital		
(Increase)/decrease in inventories	(2,011,345)	58,669
Decrease/(increase) in trade and other receivables	1,015,595	(964,356)
Increase/(decrease) in trade and other payables	1,031,617	(380,680)
Increase in provisions	1,881	66,237
	(15,550,618)	(13,762,600)
Cash Absorbed By Operations		
Interest received	1,372,962	1,341,385
Income tax credit received	116,434	166,160
	(14,061,222)	(12,255,055)
Net Cash Flow From Operating Activities		
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3,294,420)	(8,067,069)
Proceeds from sale of property, plant, and equipment	-	143,382
Cash paid for internally generated intangibles	(1,787,122)	(1,102,626)
	(5,081,542)	(9,026,313)
Net Cash Flow From Investing Activities		
Cash Flows From Financing Activities		
Issue of shares, options, and warrants	544,036	52,480,096
Proceeds from new loan notes	-	5,128,367
Proceeds from new bank loans	4,500,000	7,529,081
Repayment of borrowings	(9,519,069)	(2,075,985)
Interest paid on borrowings	(885,748)	(1,151,269)
Repayments of obligations under finance leases	(64,246)	(69,119)
Decrease in overdraft	(72,451)	(635,356)
	(5,497,478)	61,205,815
Net Cash Flow From Financing Activities		
Net (Decrease)/Increase In Cash And Cash Equivalents		
Cash and cash equivalents at beginning of year	42,966,515	952,842
Effect of foreign exchange rate changes on cash held	567,934	2,089,226
	3,033,000	5,283,000
Restricted cash	3,033,000	5,283,000
Cash and Cash Equivalents	15,861,207	37,683,515

Total Cash Held at End of Year

18,894,207

42,966,515

Basis of Preparation

PuriCore plc (the "Company") is incorporated in the UK. PuriCore, Inc., is incorporated under the laws of Delaware in the USA.

The Group financial statements are authorised for issue by the Board of Directors on 29 April 2008. European Union law (EULAW) (IAS Regulation EC 1606/2002) requires that the financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS). The financial statements have been prepared on the basis of the recognition and measurement requirements of EU-IFRS that are endorsed by the EU and effective at 31 December 2007.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2007 or 2006 but is derived from those accounts. Statutory accounts for 2006 have been delivered to the registrar of companies, and those for 2007 will be delivered in due course. The auditors have reported on the 2006 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The auditors have reported on the 2007 accounts; their report was (i) unqualified, (ii) included an emphasis of matter relating to the assumption that the going concern basis preparation is appropriate, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Going Concern

The financial statements are being prepared on a going concern basis, which the Directors believe to be appropriate for the reasons set out below.

The Group's operations are focused on the application and development of hypochlorous acid solutions for customers at a range of concentrations to meet the needs of each application. Given the research and development and sales and marketing phase of the Group's life cycle and the continual work to develop further applications of the Sterilox System, significant research, development, sales, and marketing costs have been incurred to date in excess of gross profit. The Group meets its day-to-day working capital requirements through cash reserves and external funding facilities. At 31 December 2007 cash held was \$18.9 million (including \$3.0 million restricted cash), a draw down of \$4.5 million had been made against an available line of credit, and outstanding notes payable were \$4.7 million. The \$4.5 million line of credit was repaid in April 2008.

The nature of the Group's operations means that future income is dependent on securing additional contracts within the markets it currently operates in and on developing new applications for the Sterilox System and penetrating those related markets.

The Board has prepared projected cash flow information for the period ending 20 months from the date of its approval of the financial statements, which show a net cash outflow. These projections include the release of \$3.0 million restricted cash from 1 January 2009 in line with the current terms of the agreement, and assume additional funding of \$10 million to be raised in June 2008. Whilst the Group has not raised further funding to date, the Group is currently in negotiations with a number of potential lenders in relation to the \$10 million projected to be raised in June 2008 and further funds that are expected to be required in the 20 month period.

On the basis of these projections and negotiations, the Board considers that the Group will continue to operate with sufficient funding. However, given the general inherent risk with forecasting revenues in the current markets in which the Group operates, the uncertainty inherent in the development of new applications and penetrating the related markets for the Group's product and the uncertainty in the fund raising exercises to be undertaken by the Group, there can be no certainty in relation to these matters.

These uncertainties might cast significant doubt on the Company's and Group's ability to continue as a going concern and therefore the Company and Group might be unable to continue to realise their assets and discharge their liabilities in the normal course of business. These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Segmental Analysis

The Group is managed by type of business. Segmental information is provided having regard to the nature of the goods and services provided and the markets served. Under 'other,' we have identified the Group's Global Dental business and certain business development activities not yet generating significant revenues.

Primary Reporting Format – Business Segments

For the year ended 31 December 2007

	Endoscopy	Food Safety	Other	Corporate & unallocated	Total as reported for the Group
	\$	\$	\$	\$	\$
Revenue	10,263,513	7,861,836	516,775	-	18,642,124
Loss Before Interest, Tax, Depreciation, And Amortisation	(7,054,985)	(2,802,303)	230,813	(7,049,205)	(16,675,680)
Depreciation and amortisation	(280,257)	(2,922,330)	-	(1,735,292)	(4,937,879)
Loss Before Interest And Tax¹	(7,335,242)	(5,724,633)	230,813	(8,784,497)	(21,613,559)
Segment Assets					
Non current assets	1,748,996	415,396	-	12,367,036	14,531,428
Current assets	5,435,474	8,358,745	226,191	15,246,912	29,267,322
Total assets	7,184,470	8,774,141	226,191	27,613,948	43,798,750
Segment Liabilities					
Current liabilities	(4,530,368)	(3,289,460)	-	(7,592,158)	(15,411,986)
Non current liabilities	-	(1,471,006)	-	(78,058)	(1,549,064)
Total liabilities	(4,530,368)	(4,760,466)	-	(7,670,216)	(16,961,050)
Other Segment Items					
Capital expenditure: property, plant & equipment	330,785	1,153,968	-	1,809,667	3,294,420
Capital expenditure: intangible assets	400,531	632,482	-	754,109	1,787,122

All business segments shown above are continuing.

For the year ended 31 December 2006

	Endoscopy	Food Safety	Other	Corporate & unallocated	Total as reported for the Group
	\$	\$	\$	\$	\$
Revenue	8,902,951	6,477,618	486,663	-	15,867,232
Loss Before Interest, Tax, Depreciation, And Amortisation	(3,303,543)	(442,747)	(649,176)	(10,694,249)	(15,089,715)
Depreciation and amortisation	(233,213)	(2,171,260)	-	(590,691)	(2,995,164)
Loss Before Interest And Tax¹	(3,536,756)	(2,614,007)	(649,176)	(11,284,940)	(18,084,879)
Segment Assets					
Non current assets	1,816,881	7,542,917	46,156	8,279,791	17,685,745
Current assets	4,663,731	2,476,623	349,385	42,612,933	50,102,672
Total assets	6,480,612	10,019,540	395,541	50,892,724	67,788,417
Segment Liabilities					
Current liabilities	(4,035,610)	(420,845)	(168,562)	(7,696,074)	(12,321,091)
Non current liabilities	-	-	-	(8,762,225)	(8,762,225)
Total liabilities	(4,035,610)	(420,845)	(168,562)	(16,458,299)	(21,083,316)
Other Segment Items					
Capital expenditure: property, plant & equipment	329,273	6,791,863	20,850	925,083	8,067,069
Capital expenditure: intangible asset	267,645	728,426	28,221	78,334	1,102,626

All business segments shown above are continuing.

¹ Loss Before Interest and Tax represents the segment result for purposes of IAS 14. 31 December 2007 loss includes a charge from 'Corporate & unallocated' to Food Safety in the amount of \$3.3 million for General & Administrative services. This charge was not made in 2006.

Intra-Group sales, which are priced on an 'arm's-length' basis, between both segments and regions are not significant. The analysis of Earnings Before Interest and Taxes by business includes an allocation, based on their nature, of costs incurred centrally in the United Kingdom and United States of America. Unallocated costs represent corporate expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Secondary Reporting Format – Geographical Segments

	Sales		Segment assets		Capital expenditure	
	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$
Continuing Operations						
United Kingdom	10,263,513	8,902,951	7,427,549	3,699,922	1,293,430	1,270,892
United States	8,378,611	6,964,281	36,371,201	64,088,495	3,788,112	7,898,803
	18,642,124	15,867,232	43,798,750	67,788,417	5,081,542	9,169,695

The above analysis is based on the location of the customers.

Products and Services Provided

PuriCore's Sterilox Systems electrochemically generate hypochlorous acid solutions for customers on-site and on-demand at a range of concentrations to meet the needs of each application. Requiring only common salt, water, and electricity, these systems are reliable, safe, effective, and user-friendly. Given hypochlorous acid quickly breaks down into salty water, Sterilox Systems produce the Solutions on-site for immediate use.

Each Sterilox System includes a combination of proprietary electrolysis cells, software, and control systems within a custom-designed unit. These proprietary control systems ensure that the optimum concentration of hypochlorous acid is produced consistently and reliably within narrow specification tolerances. The Sterilox Solution produced is near neutral pH (between 5 and 7) to maximise the levels that are generally recognised to be substantially more biocidal yet safe. (Below pH 4, the solution is aqueous chlorine; above pH 7.4, the solution is hypochlorite, the chemical in common bleach.) The Sterilox Systems can be remotely monitored and incorporate a series of internal controls to ensure that only effective solution is available for use.

The Sterilox Solution is currently used in the following areas:

UK Endoscopy—Endoscopes are commonly used in many medical procedures such as colonoscopies and bronchoscopies. These endoscopes are designed to be reprocessed between patient clinical procedures. Strict regulations govern specific cleaning processes to ensure adequate safety and quality controls to prevent pathogen transmission and patient protection. These processes include a manual cleaning step, automated washing, disinfection with an approved chemical/sterilant, and final wash with a bacteria-free rinse water.

US Food Safety—Sterilox is a proven intervention to improve shelf life and home life for fresh produce, floral, and seafood. The patented technology produces a non-toxic, food-safe sanitizer at a fraction of the costs of traditional chemicals whilst ensuring a safer product for supermarket produce consumers.

US & UK Dental—Water lines used in dental surgeries suffer from the build up of biofilms and other contamination. Sterilox Solutions act to decontaminate water lines and maintain acceptable water quality levels providing a safer, healthier work environment for patients and staff.

Earnings per Share

The calculation of basic and diluted earnings per share is based on the following data:

	2007	Group 2006
	\$	\$
Loss		
Loss for the purpose of basic and diluted loss per share	(21,314,664)	(17,838,978)

	2007	Group 2006
	Number	Number
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	151,901,613	125,665,449

	Group 2007	2006
	\$/share	\$/share
Loss per Share		
From continuing operations:		
Basic and diluted	(0.14)	(0.14)

The calculation for diluted loss per share is identical to that used for basic loss per share. This is because the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33 'Earnings per share.'

Operating Lease Rentals

	Group 2007 \$	2006 \$
Minimum lease payments under operating leases recognised as income in the year	8,212,653	6,904,314

At the balance sheet date the Group has total outstanding receivables commitments under non-cancellable operating leases, which fall due as follows:

	2007 \$	2006 \$
Within one year	7,471,969	6,967,101
In the second to fifth years inclusive	3,557,356	8,775,807
After five years	-	9,125
	11,029,325	15,752,033

Operating lease receipts represent rentals receivable from customers for the use of certain property, plant, and equipment. Leases have varying terms and renewal rights.

Post Balance Sheet Events

The Group was awarded a contract worth approximately \$11 million in 2008 to install its Sterilox Food Safety Systems into roughly half of the retail locations of one of the largest supermarkets in the U.S. The contract was announced on 11 January 2008.

In compliance with the Combined Code, Joseph William Birkett was appointed Senior Independent Director of the Group on 31 January 2008.

The Group signed an agreement to acquire nine issued U.S. patents related to electrolyzed water equipment and processes from ECT, with the intent to expand its operations in commercial and industrial water treatment. The Group also signed separate agreements to hire two senior ECT scientists who bring many years of collective experience in electrolysed water technology. These agreements were announced 20 February 2008 and are subject to the approval of the United States Bankruptcy Court for the Eastern District of Missouri.

The Group granted options over Ordinary Shares in the Company to the Directors and PDMRs under the terms of the PuriCore plc Executive Omnibus Incentive Plan. The grant was announced 21 February 2008. The total number of options over Ordinary Shares in the Company issued to Directors, PDMRs, and employees was 3,696,000. Refer to Note 22 of the financial statements for additional information on share-based payments.

On 14 April 2008 the Group repaid the \$4.5 million balance on the line of credit facility with Brown Brothers Harriman.